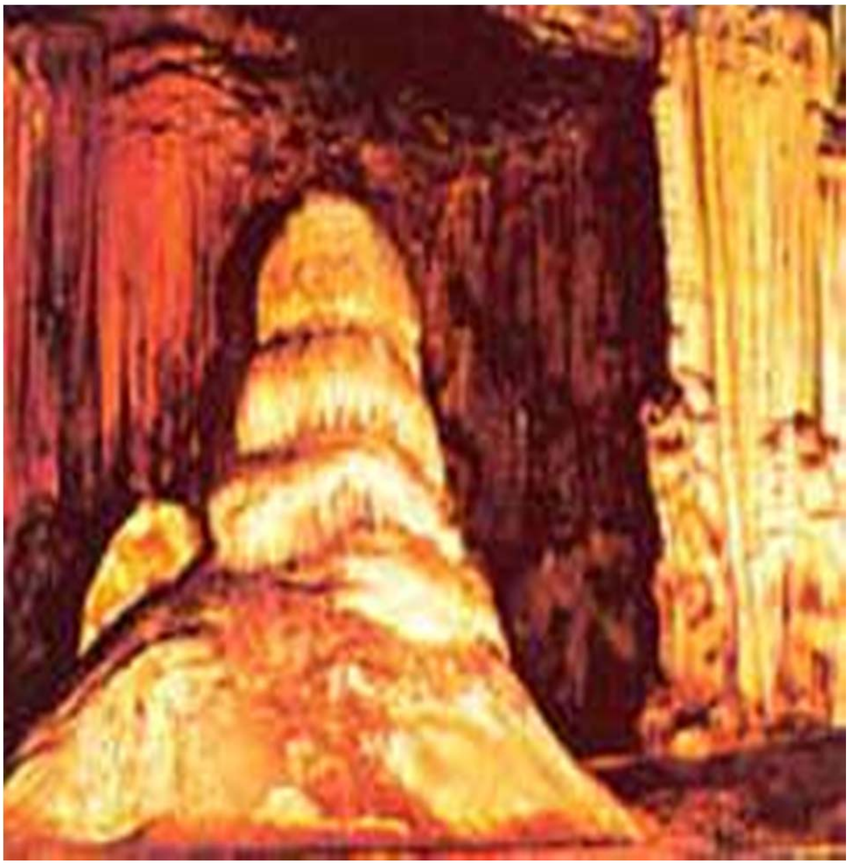
CANGO CAVES

2009/2010



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2010

CANGO CAVES

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CANGO CAVES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

GENERAL INFORMATION

NATURE OF BUSINESS

Oudtshoorn Municipality control and managed the Cango Caves on behalf of theWestern Cape Provincial Goverment.The Cango Caves is administered in terms of Ordinance no 5,1971.

COUNTRY OF ORIGIN AND LEGAL FORM

South African.The Cango Caves is also a proclaimed Provincial Heritage site.

JURISDICTION

The Heritage site is within the jurisdiction area of Oudtshoorn Municipality

MUNICIPAL MANAGER

Mr MN PETERSEN

CHIEF FINANCIAL OFFICER

MR KJ JORDAAN (B.COM.AMTA)

REGISTERED OFFICE

PO BOX 255
Oudtshoorn
6620

AUDITORS

Office of the Auditor General (WC)

PRINCIPLE BANKERS

Standard Bank

ATTORNEYS

Coetzee en v/d Bergh

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations

CANGO CAVES

MEMBERS OF THE CANGO CAVES

WARD	COUNCILLOR
1	J Olivier
2	P Nel
3	D de Jager
4	C Stemmet
5	J Harmse
6	J Coetzee
7	S Biljohn
8	N Gunguluza
9	E Ngalo
10	N Soman
11	W Kawa
12	G April
Proportional	E Fortuin
Proportional	ML Juta
Proportional	M May
Proportional	C Ngalo
Proportional	B Pannas
Proportional	G Phillips
Proportional	EE September
Proportional	V/D Westhuizen
Proportional	JD Swigelaar
Proportional	C Wagenaar
Proportional	B Shepstone

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 70 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

MN PIETERSEN
Municipal Manager

Date

CANGO CAVES

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010

	Notes	2010 R	2009 R
NET ASSETS AND LIABILITIES			
Net Assets		**28 332 732**	**27 600 344**
Accumulated Surplus/(Deficit)		28 332 732	27 600 344
Non-Current Liabilities		**4 536**	**29 935**
Long-term Liabilities	**1**	4 536	29 935
Current Liabilities		**4 015 604**	**1 415 285**
Current Employee benefits	**4**	225 380	213 503
Provisions	**5**	9 137	9 137
Trade and other payables	**6**	2 053 932	100 133
Taxes	**7**	1 701 757	1 069 975
Current Portion of Long-term Liabilities	**1**	25 399	22 537
Total Net Assets and Liabilities		**32 352 872**	**29 045 564**
ASSETS			
Non-Current Assets		**11 653 731**	**9 948 750**
Property, Plant and Equipment	**8**	9 885 418	8 087 328
Investment Property	**9**	1 768 313	1 861 422
Current Assets		**20 699 142**	**19 096 814**
Other Receivables from non-exchange transactions	**10**	38 714	98 480
Cash and Cash Equivalents	**11**	20 660 428	18 998 334
Total Assets		**32 352 873**	**29 045 564**

CANGO CAVES

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 (Actual) R	2009 (Restated) R	Correction of error R	2009 (Previously reported) R
REVENUE					
Revenue from Exchange Transactions		**10 577 246**	**10 830 434**	**-**	**10 830 434**
Admission Fees		8 648 089	8 301 057	-	8 301 057
Rental of Facilities and Equipment		562 413	596 760	596 760	
Interest Earned - external investments		1 312 900	1 878 072		1 878 072
Other Income	**12**	53 845	54 545	(596 760)	651 305
Total Revenue		**10 577 246**	**10 830 434**		**10 830 434**
			-		
EXPENDITURE			-		
Employee related costs	**13**	3 381 369	3 114 122	-	3 114 122
Depreciation and Amortisation		1 134 902	761 973		761 973
Repairs and Maintenance		312 448	382 907		382 907
Finance Charges	**14**	5 090	6 195		6 195
Contracted services		296 791	810 525		810 525
Fruitless and Wasteful Expenditure		69 330	113 634		113 634
General Expenses	**15**	4 644 927	3 210 538	863 776	2 346 762
Total Expenditure		**9 844 858**	**8 399 894**	**863 776**	**7 536 118**
Operating Surplus for the Year		**732 388**	**2 430 540**	**(863 776)**	**3 294 316**
Loss on disposal of Property,Plant and Equipment/Investment Proper		-	-		
Gain on disposal of Property, Plant & Equipment/Investment Property		-	-		
Fair Value Adjustments		-	-	-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		**732 388**	**2 430 540**	**(863 776)**	**3 294 316**

CANGO CAVES

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2010

	Government Grant Reserve	Capital Replacement Reserve	Capitalisation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R
2007					**-**
Restated Balance at 30 June 2007		**6 750 984**		**3 172 825**	9 923 809
2008					-
Net Surplus/(Deficit) for the year				4 962 944	4 962 944
Transfer from/to Capital Replacement Reserve		-6 750 984		6 750 984	-
Balance at 30 June 2008	**-**	**-**	**-**	**14 886 753**	**14 886 753**
Correction of errors				10 283 051	10 283 051
Restated Balance at 1 JULY 2008	**-**	**-**	**-**	**25 169 804**	**25 169 804**
2009					
Net Surplus/(Deficit) for the year				2 430 540	2 430 540
Balance at 30 JUNE 2009				**27 600 344**	**27 600 344**
2010					
Correction of error					
					-
Restated Balance at 1 JULY 2009				**27 600 344**	**27 600 344**
					-
Net Surplus/(Deficit) for the year				732 388	732 388
Balance at 30 JUNE 2010	**-**	**-**	**-**	**28 332 732**	**28 332 732**

CANGO CAVES

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

	Notes	2010 R	2009 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other - Exchange Transactions		9 836 362	9 063 534
Cash receipts from ratepayers, government and other - Non-Exchange Transactions			
Cash payments to suppliers and employees		(6 619 658)	(6 737 390)
Cash receipts and payments on VAT transactions			
Cash generated/(absorbed) by operations	**17**	3 216 704	2 326 143
Interest Received		1 312 900	1 878 072
Interest Paid		(5 090)	(6 195)
Net Cash from Operating Activities		**4 524 513**	**4 198 020**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(2 839 884)	(754 207)
Net Cash from Investing Activities		**(2 839 884)**	**(754 207)**
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		-	52 472
New loans (repaid)		(22 537)	
Net Cash from Financing Activities		**(22 537)**	**52 472**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1 662 093**	**3 496 285**
Cash and Cash Equivalents at the beginning of the year		18 998 334	15 502 049
Cash and Cash Equivalents at the end of the year	**18**	20 660 427	18 998 334
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1 662 093**	**3 496 285**

ACCOUNTING PRINCIPLES AND POLICIES NOTES APPLIED IN THE FINANCIAL STATEMENTS

[1]

1.1 REPORTING

The information is disclosed as General Information (see page 1)

1.2 BASIS OF PREPARATION

1.2.1 Statement of compliance

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003). The financial statements were authorised for issue on 19 January 2011.
The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities" issued by the Accounting Standards Board the entity has adopted the transitional provisions for the following GRAP Standards:

GRAP 12 – Inventories (Please refer to Note 32.5 of the notes to the financial statements);
GRAP 16 – Investment Property (Please refer to Note 32.3 of the notes to the financial statements);
GRAP 17 – Property, Plant and Equipment (Please refer to Note 8 of the notes to the financial statements);
GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets (Please refer to Note 32.1 of the notes to the financial statements);
GRAP 100 – Non-current Assets Held for Sale and Discontinued Operations (Please refer to Note 32.2 of the notes to the financial statements);
GRAP 102 – Intangible Assets (Please refer to Note 32.4 of the notes to the financial statements).

1.2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

1.2.3 Functional and presentation currency

Amounts reflected in the financial statements are in South African Rand (Rand/R), which is the Entity's functional currency. All financial information presented in Rand has been rounded to the nearest R1.

1.2.4 Changes in accounting policies

Overview

Starting as of 1 April 2008, the entity has changed its accounting policy in the following areas:
- Accounting for revenue from non-exchange transactions.

Accounting for revenue from non-exchange transactions

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[1]

As a consequence of the requirements of paragraphs 20 and 21 of Directive 5 *Determining the GRAP Reporting Framework* which note that International Financial Reporting Standards (IFRSs) should not be applied if they are in conflict with the Accounting Standard Board's (ASB's) *Framework for the Preparation and Presentation of Financial Statements* or existing Standards of GRAP or International Public Sector Accounting Standards (IPSASs), the Entity has considered the requirements of GRAP 23 *Revenue from Non-exchange Transactions (Transfers and Taxes)* – in addition to the guidance provided in paragraphs .29-.35, .39-.54, .61(b)(iii), (vi), (viii), (ix) and .62(a) and (b) of GAMAP 9 Revenue (per paragraph .44 of GRAP 9 *Revenue from Exchange Transactions*) – in formulating an appropriate accounting policy (i.e., determining the appropriate recognition, measurement and presentation requirements to be used) to account for its grants, transfers and other non-exchange revenue.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

1.4 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the entity:

GRAP 18	Segment Reporting
GRAP 21	Impairment of Non-cash-generating Assets
GRAP 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash-generating Assets
GRAP 103	Heritage Assets
GRAP 104	Financial instruments

It is not expected that there will be any significant changes to the financial statements when standards have been adopted**.**

1.5 RESERVES

Not applicable

1.6 LEASES

1.6.1 as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the entity. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the entity uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

1.6.2 as Lessor

Under a finance lease, the entity recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the entity, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.7 PROVISIONS

Provisions are recognised when the has a present or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The entity does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

(a) The has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented.

(b) The has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

1.8. PROPERTY, PLANT AND EQUIPMENT

1.8.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the entity. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the entity for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). It the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the entity expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.8.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Entity, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred."

1.8.3 Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives

Infrastructure	Years
Electricity	**15-20**
Housing	**30**
Water	**15-20**
Sewerage	**20**
Refuse	**10**
Other	
Specialists vehicles	**5-20**
Other vehicles	**5**
Office equipment	**5**
Furniture and fittings	**5**
Plant and equipment	**3 - 20**
Bins and containers	**10**
Computer equipment	**5**
Security System	**5**
Buildings	**30**
Roads/Streets	
Other Roads	**10-20**
Community	
Recreational Facilities	**30**
Libraries	**30**

1.8.4 De-recognition

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.9. INTANGIBLE ASSETS

1.9.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the or from other rights and obligations.

The entity recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the entity intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the entity has the resources to complete the project; and
- it is probable that the entity will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the entity for no or nominal consideration (i.e. a non exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

1.9.2 Subsequent Measurement – Cost Model

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

1.9.3 Amortisation

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

Intangible Assets	**Years**
Computer Software	5

1.9.4 De-recognition

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.10 INVESTMENT PROPERTY

1.10.1 Initial Recognition

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the , and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the entity measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the entity accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of self-constructed investment property is the cost at date of completion.

1.10.2 Subsequent Measurement – Cost Model

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

1.10.3 Depreciation and Impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Investment Property	**Years**
Buildings	30

1.10.4 De-recognition

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.11 NON-CURRENT ASSETS HELD FOR SALE

1.11.1 Initial Recognition

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.11.2 Subsequent Measurement

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.12 IMPAIRMENT OF NON-FINANCIAL ASSETS

The ’s assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the entity estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.
valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.13 FINANCIAL INSTRUMENTS

Financial instruments recognized on the Statement of Financial Position include trade and other receivables, cash and cash equivalents, annuity loans and trade and other payables.

1.13.1 Non-derivative financial assets

The initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Entity becomes a party to the contractual provisions of the instrument.

The derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The has the following non-derivative financial assets:

- Loans and receivables; and
- Held to maturity investments

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

The ’s loans and receivables comprise long-term receivables, trade receivables from exchange transaction and cash and cash equivalents.

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

Where deposits remain unidentified for a period of more than twelve months, the amounts are recognised as income and restated to the relevant accounting period.

Held-to-maturity financial assets

If the has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the from classifying investment securities as held-to-maturity for the current and the following two financial years.

1.13.2 *Non-derivative financial liabilities*

The initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the becomes a party to the contractual provisions of the instrument.

The derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The has the following non-derivative financial liabilities: loans and borrowings, consumer deposits, trade and other payables, short-term loans and bank overdrafts.

1.14 REVENUE

1.14.1 *Revenue from Non-Exchange Transactions*

Revenue from non-exchange transactions refers to transactions where the received revenue from another without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the entity. Where public contributions have been received but the entity has not met the related conditions, it is recognised as an unspent public contribution (liability).

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the .

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from a non-exchange transaction shall be measured at the amount of the increase in net assets recognised by the .

When, as a result of a non-exchange transaction, a recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

1.14.2 Revenue from Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the acts as an agent on behalf of another (the principal) is limited to the amount of any fee or commission payable to the entity as compensation for executing the agreed services.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the .

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue and in accordance with the relevant Standards of GRAP on Financial Instruments.
When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

1.15 FINANCE INCOME AND COSTS

Finance income comprises interest income on funds invested (including interest earned on cash and cash equivalents) and interest earned on trade receivables. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method.

Finance costs comprise interest expense on borrowings and bank overdrafts, unwinding of the discount on provisions, impairment losses recognised on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in surplus or deficit using the effective interest method.

1.16 RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. It includes full-time councillors, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.17 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, entity or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 200), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Entity’s Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.20 CONTINGENT LIABILITIES

All known contingent liabilities are disclosed in the notes to the financial statements.

1.21 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the financial statements in conformity with GRAP requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the 's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – the as lessor

The entity has entered into commercial property leases on its investment property portfolio. The has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

Property, plant and equipment

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Provisions and contingent liabilities

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

Held-to-maturity financial assets

Management has reviewed the held-to-maturity financial assets in the light of its capital management and liquidity requirements and has confirmed the positive intention and ability to hold those assets to maturity.

1.22 AMENDED DISCLOSURE POLICY

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include fundamental errors, and the treatment of assets financed by external grants.

CANGO CAVES

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

		2010 R	2009 R
1	**LONG TERM LIABILITIES**		
	Capitalised Lease Liability - At amortised cost	29 935	52 472
		29 935	**52 472**
	Less: Current Portion transferred to Current Liabilities	**(25 399)**	**(22 537)**
	Capitalised Lease Liability - At amortised cost	(25 399)	(22 537)
		4 536	**29 935**
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	**4 536**	**29 935**

	2010 R	2009 R
The obligations under finance leases are scheduled below	**Minimum lease payments**	
Amounts payable under finance leases		
Payable within one year	27 627	27 627
Payable within two to five years	4 605	32 232
Payable after five years	-	-
	32 232	59 859
Less: Future finance obligations	(2 297)	(7 387)
Present value of lease obligations	**29 935**	**52 472**

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance

Leases are secured by property, plant and equipment - Note 8

2 EMPLOYEE BENEFITS

Retirement Fund

Both the Cape Joint Pension Fund and Cape Retirement Fund are multi-employer plans. This means that there are multiple local authorities that participate in these funds. In terms of IAS 19, multi-employer plans are defined as defined benefit plans. IAS 19 also state that when sufficien

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension

Therefore, although both the Cape Joint Pension Fund and Cape Joint Retirement Fund are defined as defined benefit plans, it will be accounted for as defined contribution plans

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2009 revealed that the fund is in an sound financial position with a funding level of 100% (30 June 2008 - 106.5%). Actuarial valuations also determined that there

Contributions paid for the year

CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2009 revealed that the fund is in a sound financial position with a funding level of 100.3% (30 June 2008 - 103.3%)

	2010	2009
Contributions paid for the year	410 681	374 757

3 NON-CURRENT PROVISIONS

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 32.1

		R	R
4	**CURRENT EMPLOYEE BENEFITS**		
	Staff Leave	225 380	213 503
	Balance previously reported		-
	Correction of error-see also note 16.2		213 503
	Total Current Employee Benefits	**225 380**	**213 503**

The movement in current employee benefits are reconciled as follows:

Staff Leave

Balance at beginning of year	213 503	-
Corretion of error		213 503
Contribution to current protion	17 029	
Expenditure incurred	(5 152)	
Balance at end of year	**225 380**	**213 503**

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

5 PROVISIONS

	2010 R	2009 R
Employee Benefits- Long Service Awards	9 137	9 137
Balance previously reported		9 137
Total Provisions	**9 137**	**9 137**

6 TRADE AND OTHER PAYABLES

	2010 R	2009 R
Loan Account- Oudtshoorn Municipality	-	(0)
Previously reported		10 283 051
Correction of error -see also note 16.3		(10 283 051)
Unallocated Funds	-	44 896
Trade creditors	5 714	
Other Creditors	53 363	53 801
Advance payable to Oudtshoorn Municipality	1 994 854	
Previously Reported	-	213 503
Correction of error -see also note 16.3	-	(213 503)
Suspense Account		1 436
Total Trade Payables	**2 053 932**	**100 133**

Payables are being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

7 TAXES

	2010 R	2009 R
VAT Payable	1 701 757	1 069 975
Balance previously reported	-	1 306 074
Correction of Error. Refer note 16.7		(236 099)
VAT Receivable		
	1 701 757	1 069 975

VAT is payable/receivable on the cash basis.

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fully Depreciated assets still in use were as follows:

	2010 R	2009 R
Cost	**1 336 523**	**-**
Land and Buildings	-	
Infrastructure	-	
Community Assets	-	
Lease Assets	-	
Heritage	-	
Other	1 336 523	
Accumulated depreciation	**(1 336 523)**	**-**
Land and Buildings	-	
Infrastructure	-	
Community Assets	-	
Lease Assets	-	
Heritage	-	
Other	(1 336 523)	
Carrying value	-	-

9 INVESTMENT PROPERTY

	2010 R	2009 R
Net Carrying amount at 1 July	**1 861 422**	**-**
Cost	2 793 281	
Accumulated Depreciation	(931 859)	-
Acquisitions	-	
Disposals	-	-
Depreciation for the year	(93 109)	-
Impairment	-	-
Transfers from Inventory	-	-
Transfers from Property, Plant and equipment	-	2 793 281
Balance previously reported	-	
Correction of error. Refer to note 16.5		2 793 281
Net Carrying amount at 30 June	**1 768 313**	**1 861 422**
Cost	2 793 281	2 793 281
Accumulated Depreciation	(1 024 968)	(931 859)

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 32.3

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

10 TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2010 R	2009 R
Service Receivables		
Other Debtors	38 714	40 494
Sundry debtors		21 523
Loan account- Oudtshoorn Municipality		36 463
Amount previously reported		1 958 982
Correction of error-see also note 16.6		(1 922 519)
Total Service Receivables	**38 714**	**98 480**
Less: Allowance for Doubtful Debts	-	
Net Service Receivables	**38 714**	**98 480**
Total Net Receivables from Non-Exchange Transactions	**38 714**	**98 480**

11 CASH AND CASH EQUIVALENTS

	R	R
Assets		
Call Investments Deposits	6 673 512	6 307 316
Primary Bank Account	13 968 915	12 678 018
Cash Floats	18 000	13 000
Total Cash and Cash Equivalents - Assets	**20 660 427**	**18 998 334**

	2010 R	2009 R
Liabilities		
Primary Bank Account	-	
Total Cash and Cash Equivalents - Liabilities	**-**	**-**

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

	2010 R	2009 R
The entity has the following bank accounts:		
Current Accounts		
Standard Bank Limited-Account nr 82797048	13 968 915	12 678 018
	13 968 915	**12 678 018**
Standard Bank Limited-Account nr 82797048		
Cash book balance at beginning of year	12 678 018	9 823 452
Cash book balance at end of year	13 968 915	12 678 018
Bank statement balance at beginning of year	13 500 266	9 844 529
Bank statement balance at end of year	14 190 276	13 500 266

Call Investment Deposits

Call investment deposits consist out of the following accounts:

	2010 R	2009 R
ABSA acc nr 9212374696	1 279 190	1 211 960
ABSA acc nr 9208334391	3 894 846	3 688 983
Nedbank acc nr 03/7881019344	1 499 476	1 406 373
	6 673 512	6 307 316

12 OTHER INCOME

	2010 R	2009 R
Licence renewal		147
Other	53 845	54 399
Total Other Income	**53 845**	**54 546**

13 EMPLOYEE RELATED COSTS

	2010 R	2009 R
ACTING ALLOWANCE	31 695	25 356
BARGAINING COUNCIL	1 125	1 056
CASHIER ALLOWANCE	2 190	3 600
CELL PHONE ALLOWANCE	3 600	
GROUP INSURANCE	39 193	29 228
HOUSING SUBSIDY	41 435	47 738
LEAVE BONUS	151 358	182 177
LEAVE PAYMENTS	14 793	(35 088)
LONG SERVICES BONUS	213 254	27 127
MEDICAL SCHEME	44 217	184 873
OVERTIME	341 069	35 139
PENSION	2 103 588	313 223
SALARIES	21 548	1 855 907
SKILLS DEVELOPMENT LEVY	-	21 063
STANDBY ALLOWANCE	40 509	
SUBSISTENCE & TRAVEL	3 500	25 355
TELEPHONE ALLOWANCE	167 879	6 000
TEMPORARY PERSONNEL	102 020	262 854
TRAVELLING ALLOWANCE	22 758	103 545
UIF	18 610	21 140
UNIFORM ALLOWANCE	-	29 185
WORKMENS COMPENSATION	17 029	
	3 381 369	3 114 122
Less: Employee Costs allocated elsewhere	-	-
Total Employee Related Costs	**3 381 369**	**3 114 122**

KEY MANAGEMENT PERSONNEL

The Manager for the Caves is a permanent appointment, and is entiteld to post-employment or termination benefits payable .

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of the Manager		
Annual Remuneration	275 090	
Bonuses	22 634	
Car Allowance	101 790	
Housing Subsidy	6 851	
Telephone allowance	6 000	
Travelling Allowance	2 663	
Contributions to UIF, Medical and Pension Funds	73 826	
Total	**488 854**	**-**

14 FINANCE CHARGES

Long-term Liabilities	-	
Finance leases	5 090	6 195
Total finance charges	**5 090**	**6 195**

15 General Expenses

General Expenses	4 644 927	3 210 538
	4 644 927	**3 210 538**

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees, auditing fees and consulting fees **See Appendix F for detail**

16 CORRECTION OF ERROR IN TERMS OF GRAP 3

16.1 Directive 4: “Transitional Provisions for Medium and Low Capacity Municipalities”

In terms of Directive 4: “Transitional Provisions for Medium and Low Capacity Municipalities” issued by the Accounting Standards Board the municipality has transitional provisions for the following GRAP Standards:

GRAP 12 – Inventories
GRAP 16 – Investment Property
GRAP 17 – Property, Plant and Equipment
GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets
GRAP 100 – Non-current Assets Held for Sale and Discontinued Operations
GRAP 102 – Intangible Assets

These provisions were not adopted in the prior year and are now adopted for periods ending on and after 30 June 2009.

16.2 Current Employment Benefits

Balance previously reported		-
Correction of error -transfer from current employment benefits -see also note 4	213 503	
Total	**213 503**	**-**

16.3 Trade and other payables

Balance previously reported	(10 283 051)	
Correction of error-transfer to current employment benefits see also note 6	(213 503)	-
Correction of error- see also note6 and note 16.8-writting off of advance		(10 283 051)
Total	**(10 496 554)**	**(10 283 051)**

16.4 Property, Plant and Equipment

Balance previously reported		
Correction of error. Transfer of Investment Properties -see also note 8 and 16.5	(1 861 422)	
	(1 861 422)	

16.5 Investment Property

Balance previously reported		-
Correction of error Transfer of Buildings (PPE) -see also note 16.4 and 9	1 861 422	
	1 861 422	

16.6 Other Recievables From Non-Exchange Transactions

Balance previously reported	(937 814)	
Correction of error - Retrospective leving of rental .See also note 16.7 , 16.9 and 10.	(984 705)	(937 814)
Total	**(1 922 519)**	**(937 814)**

16.7 Taxes

Balance previously reported	(115 170)	
Correction of error-Vat on retrospective rental-see also note 16.6 and7	(120 929)	(115 170)
Total	**(236 099)**	**(115 170)**

16.8 Accumulated Surplus/(Deficit)

Previously		**-**
Amount previously reported		-
Correction of error-Writting off of advance-see also note 16.3 and 6		10 283 051
Total		**10 283 051**

16.9 Statement of financial performance

Amount previously reported	**3 294 316**	**5 785 588**
Correction of error-Retrospective leving of rental- see also note 16.6, 16.7 and10	(863 776)	(822 644)
Total	**2 430 540**	**4 962 944**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

17 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS

	2010 R	2009 R
Surplus/(Deficit) for the year	732 388	2 430 540
Adjustments for:		
Depreciation	1 134 902	761 973
Amortisation of Intangible Assets	-	9 137
Interest income	(1 312 900)	(1 878 072)
Interest expense	5 090	6 195
Operating Surplus/(Deficit) before changes in working capita	559 480	1 329 773
Changes in working capita	2 657 223	996 370
Increase/(Decrease) in Trade and Other Payables	2 085 208	21 424
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	-	
Increase/(Decrease) in Taxes	631 782	713 846
(Increase)/Decrease in Inventory	-	
(Increase)/Decrease in Trade Receivables from exchange transactions		
(Increase)/Decrease in Other Receivables from non-exchange transactions	(59 766)	261 100
Cash generated/(absorbed) by operations	**3 216 704**	**2 326 143**

18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

	2010 R	2009 R
Call Investments Deposits - notes 11	6 673 512	6 307 316
Cash Floats - notes 11	18 000	13 000
Bank - notes 11	13 968 915	12 678 018
Total cash and cash equivalents	**20 660 427**	**18 998 334**

19 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

	2010	2009
Cash and Cash Equivalents	20 660 427	18 998 334
Investments	-	-
	20 660 427	18 998 334
Less:	1 701 757	1 069 975
VAT - Note 7	1 701 757	1 069 975
Net cash resources available for internal distribution	18 958 670	17 928 359
Allocated to:		
Capital Replacement Reserve	-	-
Employee Benefits Reserve	-	-
Social Contribution Reserve	-	-
Non-Current Provisions Reserve	-	-
Valuation Roll Reserve	-	-
Resources available for woking capital requirements	18 958 670	17 928 359

20 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

	2010	2009
Long-term Liabilities - Note 1	29 935	52 472
Used to finance property, plant and equipment - at cos	-	-
	29 935	52 472
Cash set aside for the repayment of long-term liabilities	(29 935)	(52 472)
Cash invested for repayment of long-term liabilities	**-**	**-**

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. The Lease carry interest of 12.01% and will be repaid by 2012

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

21 BUDGET COMPARISONS

21.1 Operational

	2010 R (Actual)	2010 R (Budget)	2010 R (Variance)	2010 (%)
Revenue by source				
Admission Fees	8 648 089	9 600 000	(951 911)	(0)
Rental of Facilities and Equipmen	562 413	590 842	(28 429)	(0)
Interest Earned - external investments	1 312 900	580 000	732 900	1
Other Revenue	53 845		53 845	
	10 577 246	10 770 842	(193 596)	(0)
Expenditure by nature				
Employee Related Costs	(3 381 369)	(3 430 461)	49 092	(0)
Depreciation and Amortisatior	(1 134 902)		(1 134 902)	1
Repairs and Maintenance	(312 448)	(450 191)	137 743	(0)
Finance Charges	(5 090)	(1 785 067)	1 779 977	(1)
Contracted services	(296 791)	(1 028 245)	731 454	(1)
Fruitless and Wastefull Expenditure	(69 330)		(69 330)	1
General Expenses	(4 644 927)	(2 705 158)	(1 939 769)	1
	(9 844 858)	(9 399 122)	(445 736)	0
Other Gains/Losses				
Loss on Disposal of PPE	-			
Gains on Disposal of PPE	-			
	-	-	-	-
Net Surplus for the year	**732 388**	**1 371 720**	**(639 332)**	**(0)**

Details of material variances

Revenue

Interest recieved increased due to more funds transferd from the current account to investments

Expenditure

Depreciation provision was not budgeted foi

The underspending on repairs and maintenance realized due to savings on expenditur

The underspendig on finance charges realized due to the advance / loan instalments payable to Oudtshoorn Municipality fall away .loan is written

The substancial overspending on General Expenditure realized due to rental payable to the Municipality as a result of the loan which was written of

21.2 Capital expenditure

2010 R (Actual)	2010 R (Budget)	2010 R (Variance)	2010 (%)
2839884	**5055730**	**2 215 846**	**-43.83%**

Variance is due to equipment not bought

22 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

Fruitless and wasteful expenditure

Reconciliation of unauthorised expenditure

Opening balance	113 634	113 634
Unauthorised expenditure current year - capita		
Unauthorised expenditure current year - operating	69 330	
Approved by Council or condoned		-
Transfer to receivables for recovery		-
Unauthorised expenditure awaiting authorisation	**182 964**	**113 634**

Incident	Disciplinary steps/criminal proceedings
No supporting documentation available for overseas travelling	*None*

23 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

23.1 VAT - [MFMA 125 (1)(b)]

VAT- payable	**1 701 757**	**1 306 074**

23.2 PAYE, SDL and UIF - [MFMA 125 (1)(b)]

	2010 R	2009 R
Current year payroll deductions and Council Contribution	245 821	201 365
Amount paid - current year	(245 821)	(201 365)
Balance unpaid (included in creditors)	**(0)**	**-**

23.3 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]

	2010 R	2009 R
Current year payroll deductions and Council Contribution	817 968	692 500
Amount paid - current year	(817 968)	(692 500)
Balance unpaid (included in creditors)	**-**	**-**

23.4 Quotations awarded - Section 45 - Supply Chain Management

No Non-compliance with the Supply Chain Management Regulations were identified .

24 CAPITAL COMMITMENTS

None

25 FINANCIAL RISK MANAGEMENT

The activities of the entity expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The entity's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the entity's financial performance.

(a) Foreign Exchange Currency Risk

The entity does not engage in foreign currency transactions

(b) Price risk

The entity is not exposed to price risk.

(c) Interest Rate Risk

As the entity has significant interest-bearing assets, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The entity analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The entity did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

	2010 R	2009 R
0.5% (2009 - 0.5%) Increase in interest rates	93 076	47 792
0.5% (2009 - 0.5%) Decrease in interest rates	(93 076)	(47 792)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

No receivables are pledged as security for financial liabilities.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although te credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows

	2010	2009
Long term receivables	-	-
Trade receivables and other receivables	38 714	98 480
Cash and Cash Equivalents	20 660 428	18 998 334
	20 699 142	19 096 814

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 Years
2010				
Long Term liabilities	31 495	5 249		
Trade and Other Payables	2 053 932	-	-	-
	2 085 427	5 249	-	-
2009				
Long Term liabilities	27 627	32 232		
Trade and Other Payables	100 133	-	-	-
	127 760	32 232	-	-

26 FINANCIAL INSTRUMENTS

In accordance with IAS 39.09 the financial instruments of the entity are classified as follows:

The fair value of financial instruments appoximates the amortised costs as reflected bellow.

26.1 **Financial Assets**	**Classification**	**2010 R**	**2009 R**
Long-term Receivables		-	-
Debtors			
Other receivables from non-exchange transactions	At amortised cost	38 714	98 480
Current Portion of Long-term Receivables		-	-
Short-term Investment Deposits			
Call Deposits	At amortised cost	6 673 512	6 307 316
Bank Balances and Cash			
Bank Balances	At amortised cost	13 968 915	12 678 018
Cash Floats and Advances	At amortised cost	18 000	13 000
		20 699 141	**19 096 814**
SUMMARY OF FINANCIAL ASSETS			
At amortised cost		**20 699 141**	**19 096 814**

26 FINANCIAL INSTRUMENTS (CONTINUE)

26.2 **Financial Liability**	**Classification**	**2010 R**	**2009 R**
Long-term Liabilities			
Capitalised Lease Liability	At amortised cost	4 536	29 935
Trade Payables			
Trade creditors	At amortised cost	5 714	-
Other	At amortised cost	2 048 217	100 133
Unspent Conditional Grants and Receipts		-	-
Current Portion of Long-term Liabilities			
Capitalised Lease Liability	At amortised cost	25 399	22 537
		2 083 867	**152 605**
SUMMARY OF FINANCIAL LIABILITY			
At amortised cost		**2 083 867**	**152 605**

27 EVENTS AFTER THE REPORTING DATE

The entity has no events after reporting date during the financial year ended 2009/2010.

28 IN-KIND DONATIONS AND ASSISTANCE

The entity did not receive any in-kind donations or assistance during the year under review.

29 PRIVATE PUBLIC PARTNERSHIPS

No private public partnerships exist during the financial year.

30 CONTINGENT LIABILITY

None

31 RELATED PARTIES

Key Management and employees pay for services on the same terms and conditions as the general public.

31.1 Related Party Transactions

None

31.2 Related Party Loans

Since 1 July 2004 loans to senior management employees are not permitted.

31.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 29 to the Annual Financial Statements.

31.4 Other related party transactions

	2010	2009
Transactions with Oudtshoorn Municipality		
Advance recieved/loan	-	10 283 051
Temporaly advance /bank	992 241	1 958 982
Administration fees paid	(1 994 855)	873 547

32 TRANSITIONAL PROVISION TAKEN ACCORDING TO THOSE IN DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES

32.1 GRAP 19 - Provisions, contingent liabilities and contingent Assets

The entity opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008.

The entity is currently in a process of identifying all provisions which must be measured in terms of GRAP 19 and it is expected that this process will be completed for inclusion in the 2011 financial statements.

32.2 GRAP 100 - Non-current assets and discontinued operations

The entity opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise non-current assets held for sale and discontinued operations relating to Inventories, Investment Properties, Property, Plant and Equipment, Agriculture and Intangible Assets which are not recognised in terms of the transitional provisions relating to those standards.

32.3 GRAP 16 - Investment Properties

The entity opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise all the Investment Properties.

The entity is currently in the process of identifying all Investment Properties and have valued them in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2011 financial statements.

32.4 GRAP 102 - Intangible Assets

The entity opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise or measure all the Intangible Assets in accordance with the standard, including the following:

* Computer Software;
* Intangible assets financed by way of finance leases
* Intangible assets transferred as a result of the transfer of functions; and
* Servitudes.

The entity is currently in the process of identifying all Intangible Assets and have it valued in terms of GRAP 102 and it is expected that this process will be completed for inclusion in the 2011 financial statements. It is possible that certain intangible assets are currently being recognised as Property, Plant and Equipment.

32.5 GRAP 12 - Inventories

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

The entity opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The entity did not recognise the following inventories:

Land held for sale

The entity is currently in the process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2011 financial statements.

CANGO CAVES

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

8 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2010

Reconciliation of Carrying Value	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R
Land and Buildings	**10 543 114**	**-**	**-**	**10 543 114**	**3 567 464**	**351 437**	**-**	**3 918 901**	**6 624 213**
Land and Buildings	10 543 114	-	-	10 543 114	3 567 464	351 437	-	3 918 901	6 624 213
Infrastructure	**755 256**	**468 328**	**-**	**1 223 584**	**310 465**	**47 962**	**-**	**358 427**	**865 157**
Infrastructure	755 256	468 328	-	1 223 584	310 465	47 962	-	358 427	865 157
Lease Assets	**60 789**	**-**	**-**	**60 789**	**16 749**	**20 263**	**-**	**37 012**	**23 777**
Office Equipment	60 789	-	-	60 789	16 749	20 263	-	37 012	23 777
Other Assets	**2 326 432**	**2 371 556**	**-**	**4 697 988**	**1 703 586**	**622 131**	**-**	**2 325 716**	**2 372 272**
Other	2 326 432	2 371 556	-	4 697 988	1 703 586	622 131	-	2 325 716	2 372 272
	13 685 591	**2 839 884**	**-**	**16 525 475**	**5 598 264**	**1 041 792**	**-**	**6 640 056**	**9 885 419**

30 JUNE 2009

Reconciliation of Carrying Value	Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
	R	R	R	R	R	R	R	R	R
Land and Buildings	**13 063 465**	**272 930**	**-**	**10 543 114**	**4 061 556**	**437 767**	**-**	**3 567 464**	**6 975 650**
Land and Buildings	13 063 465	272 930	-	10 543 114	4 061 556	437 767	-	3 567 464	6 975 650
Balance previosly reported				13 336 395				4 499 323	
Correction of error				-2 793 281				-931 859	
					-	-	-	-	-
Infrastructure	**553 137**	**202 119**	**-**	**755 256**	**267 201**	**43 264**	**-**	**310 465**	**444 791**
Infrastructure	553 137	202 119	-	755 256	267 201	43 264	-	310 465	444 791
Lease Assets	**-**	**60 789**	**-**	**60 789**	**-**	**16 749**	**-**	**16 749**	**44 040**
Office Equipment	-	60 789		60 789	-	16 749		16 749	44 040
Other Assets	**2 108 062**	**218 370**	**-**	**2 326 432**	**1 439 393**	**264 193**	**-**	**1 703 586**	**622 847**
Other	2 108 062	218 370	-	2 326 432	1 439 393	264 193	-	1 703 586	622 847
	15 724 664	**754 208**	**-**	**13 685 591**	**5 768 150**	**761 973**	**-**	**5 598 264**	**8 087 328**

8 PROPERTY, PLANT AND EQUIPMENT

GRAP 17 - Property, Plant and Equipment

The entity opted to take advantage of the transitional provisons as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The entity did not recognise or measure all the Property, Plant and Equipment in accordance with the standard, including the following:

Land;
Property, Plant and Equipment financed by way of finance leases
Property, Plant and Equipment financed by way of provisions
Property, Plant and Equipment transferred as a result of the transfer of functions; anc
Componentised infrastructure assets.

The entity is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2010 financial statements.The entity is in the process of itemizing all infrastructure and community assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2010. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure and community assets, using global historical costs recorded in the accounting records.

The entity therefore utilised the transitional provision in the following areas

- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.
- Review of residual values of item of PPE recognised in the annual financial statements.
- Impairment of non-cash generating assets.
- Impairment of cash generating assets.

APPENDIX A - Unaudited
CANGO CAVES
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2010

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2009	Correction	Balance at 30 JUNE 2009 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2010	Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
LEASE LIABILITY											
Konika Minolta	12.02%	C253(A02E041002051)		52 472	-	52 472	-	22 537	29 935		
							-	-	-		
Total Lease Liabilities				**52 472**	**-**	**52 472**	**-**	**22 537**	**29 935**	-	-
TOTAL EXTERNAL LOANS				**52 472**		**52 472**		**22 537**	**29 935**		

APPENDIX B

ANALYSIS OF ASSETS AS AT 30 JUNE 2010

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals income	Closing Balance	
Land and Buildings										
Land	-	-	0	-	0	-	-	-	0	0
OTHER BUILDINGS	10 543 114	-	0	-	10 543 114	3 567 464	351 437	0	3 918 901	6 624 213
	10 543 114	**0**	**0**	**0**	10 543 114	**3 567 464**	**351 437**	**0**	**3 918 901**	**6 624 213**
Infrastructure					0					
ELECTRICITY RETICULATION	58 897	-	0	-	58 897	29 473	2 945	0	32 418	26 480
PEDESTRIAN WALKWAYS	16 252	252 519	0	-	268 771	6 505	847	0	7 352	261 419
RESERVORS	1 506	-	0	-	1 506	1 506	0	0	1 506	0
SECURITY SYSTEMS	56 613	166 470	0	-	223 083	56 613	11 676	0	68 288	154 794
SEWERAGE PIPE	7 124	49 339	0	-	56 463	7 124	1 751	0	8 875	47 589
STREET LIGHTS	412 746	-	0	-	412 746	201 667	20 637	0	222 304	190 441
Reservoirs/Tanks - Water	-	-	0	-	0	0	0	0	0	0
KLEIN KAROO RURAL WATER SUPPLY	-	-	0	-	0	0	0	0	0	0
Pipelines	202 120	-	0	-	202 120	7 578	10 106	0	17 684	184 436
	755 257	**468 328**	**0**	**0**	1 223 586	**310 465**	**47 962**	**0**	**358 427**	**865 159**
Community Assets					0					
Recreation Grounds	-	-	0	-	0	0	0	0	0	0
Civil Buildings	-	-	0	-	0	0	0	0	0	0
Libraries	-	-	0	-	0	0	0	0	0	0
Parks & Gardens	-	-	0	-	0	0	0	0	0	0
Public Conveniences/Bathhouses	-	-	0	-	0	0	0	0	0	0
Land Strip	-	-	0	-	0	0	0	0	0	0
	-	-	0	-	0	0	0	0	0	0
	-	**0**	**0**	**0**	0	**0**	**0**	**0**	**0**	**0**
Heritage Assets					0					
Historical Buildings	-	-	0	-	0	0	0	0	0	0
Vehicles	-	-	0	-	0	0	0	0	0	0
Painting & Art Galleries	-	-	0	-	0	0	0	0	0	0
	-	**0**	**0**	**0**	0	**0**	**0**	**0**	**0**	**0**
Total carried forward	11 298 371	468 328	0	0	11 766 700	3 877 930	399 399	0	4 277 328	7 489 371

* Includes correction of error referred to in Note 32.

APPENDIX B

XXX MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010

	Cost					**Accumulated Depreciation**				**Carrying**
	Opening Balance	**Additions**	**Under Construction**	**Disposals**	**Closing Balance**	**Opening Balance**	**Additions**	**Disposals**	**Closing Balance**	**Value**
Total brought forward	11 298 371	468 328	0	0	11 766 700	3 877 930	399 399	0	4 277 328	7 489 371
Housing Rental Stock										
Housing Rentals	-	-	0	-	0	0	0	0	0	0
Housing	-	-	0	-	0	0	0	0	0	0
	-	**0**	**0**	**0**	0	**0**	**0**	**0**	**0**	**0**
Leased Assets					0					
OFFICE EQUIPMENT (LEASE)	60 789	-	0	-	60 789	16 749	20 263	0	37 012	23 777
	60 789	**0**	**0**	**0**	60 789	**16 749**	**20 263**	**0**	**37 012**	**23 777**
Other Assets					0					
AIRCONDITIONING	111 025	-	0	-	111 025	100 443	5 298	0	105 741	5 284
SPRINKLER SYSTEM	3 080	-	0	-	3 080	3 080	0	0	3 080	0
CHAIRS	71 346	-	0	-	71 346	58 060	6 652	0	64 712	6 634
PURIFICATION EQUIPMENT/ INSTALLAT	58 857	-	0	-	58 857	753	3 924	0	4 676	54 181
COMPUTER HARDWARE	221 435	55 290	0	-	276 725	142 387	47 425	0	189 812	86 913
COMPUTER SOFTWARE	492 791	-	0	-	492 791	490 061	1 367	0	491 428	1 363
ELECTRONIC EQUIPMENT	227 118	2 316 266	0	-	2 543 383	165 447	374 543	0	539 991	2 003 392
EXTINGUISHER FIRE	7 735	-	0	-	7 735	4 645	1 547	0	6 192	1 543
FIRE HOSE	1 785	-	0	-	1 785	1 072	357	0	1 429	356
FIRST AID KIT	470	-	0	-	470	470	0	0	470	0
LAWNMOWER	34 822	-	0	-	34 822	34 822	0	0	34 822	0
BAKKIE	64 460	-	0	-	64 460	64 460	0	0	64 460	0
MOTOR VEHICLES	508 013	-	0	-	508 013	300 974	101 456	0	402 430	105 583
OFFICE FURNITURE	306 007	-	0	-	306 007	200 678	57 942	0	258 620	47 386
PUMP	8 576	-	0	-	8 576	5 676	1 452	0	7 128	1 448
RADIO EQUIPMENT	11 561	-	0	-	11 561	9 505	1 029	0	10 534	1 026
STREET SIGNS	49 842	-	0	-	49 842	49 842	0	0	49 842	0
TABLES AND DESKS	17 169	-	0	-	17 169	11 812	2 682	0	14 494	2 675
TELEVISION AND VIDEO MACHINES	850	-	0	-	850	511	170	0	681	170
TOOLBOX	-	-	0	-	0	0	0	0	0	0
TOOLS	28 571	-	0	-	28 571	14 498	5 544	0	20 042	8 529
TRAILER	59 035	-	0	-	59 035	21 489	7 576	0	29 065	29 970
UNIDENTIFIED	41 886	-	0	-	41 886	22 902	3 166	0	26 067	15 819
	-	-	0	-	0	0	0	0	0	0
	2 326 432	**2 371 556**	**0**	**0**	4 697 988	**1 703 585**	**622 131**	**0**	**2 325 716**	**2 372 272**
TOTAL	**13 685 592**	**2 839 884**	**-**	**-**	16 525 476	**5 598 264**	**1 041 793**	**-**	**6 640 056**	**9 885 420**

Beleggings Eiendomme					0					
INVESTMENT PROPERTIES	2 793 281	0	0	0	2 793 281	931 859	93 109	0	1 024 968	1 768 313
	2 793 281	**0**	**0**	**0**	2 793 281	**931 859**	**93 109**	**0**	**1 024 968**	**1 768 313**
Total	**16 478 873**	**2 839 884**	**-**	**-**	19 318 757	**6 530 123**	**1 134 902**	**-**	**7 665 025**	**11 653 732**

APPENDIX C - Unaudited
CANGO CAVES
REVENUE AND EXPENDITURE
ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010
MUNICIPAL VOTES CLASSIFICATION

	2010 Actual (R)	2010 Budget (R)	2010 Variance (R)	2010 Variance (%)
REVENUE				
Admission Fees	8 648 089	9 600 000	(951 911)	-9.92%
Rental of Facilities and Equipment	562 413	590 842	(28 429)	-4.81%
Interest Earned - External Investments	1 312 900	580 000	732 900	126.36%
Other Revenue	53 845		53 845	0.00%
Total Revenue	**10 577 246**	**10 770 842**	**(193 596)**	**1**
EXPENDITURE				
Employee Related Costs	(3 381 369)	(3 430 461)	49 092	-1.43%
Depreciation and Amortisation	(1 134 902)		(1 134 902)	0.00%
Repairs and Maintenance	(312 448)	(450 191)	137 743	-30.60%
Finance Charges	(5 090)	(1 785 067)	1 779 977	-99.71%
Contracted Services	(296 791)	(1 028 245)	731 454	-71.14%
Fruitless and Wasteful Expenditure	(69 330)			
General Expenses	(4 644 927)	(2 705 158)	(1 939 769)	71.71%
Total Expenditure	**(9 844 858)**	**(9 399 122)**	**(376 406)**	**(1)**
SURPLUS / (DEFICIT) FOR THE YEAR	**732 388**	**1 371 720**	**(570 002)**	**(0)**

APPENDIX D
CANGO CAVES
ANALYSIS OF GENERAL EXPENDITURE 2009/2010

General Expenses	ADMIN RECOVERIES	1000783.89
	ADVERTISEMENTS	147103.42
	BANK CHARGES	125306.95
	BROCHURE MATERIAL	81503.52
	BUILDING LEASE:OUDTSHOORN MUN	906965.01
	CHEMICALS	1150
	DOMESTIC EXPENSES	11733.14
	ELECTRFICATION - FOOT TRAILS	1492.98
	ENTERTAINMENT	8261.43
	EXHIBITIONS & SHOWS	201268
	INSURANCE	43650.19
	INVENTORY ITEMS	14781.98
	LED LIGHT PROJECT	5900
	MARKETING COLLATERAL	32947.12
	MARKETING DISPLAY	13766.49
	MATERIAL	4960
	MEMBERSHIP FEES	270
	PLANT	1002.19
	PLANT: FUEL & OIL	20677.69
	PLANT:REGISTRATION/LICENSING	4844
	POSTAGE	6885.96
	PRINTING & STATIONERY	64442.3
	PROMOTIONS	59937.76
	PROTECTIVE CLOTHING	29489.91
	RADOM/MONITORING PROJECT	34949.6
	RECOVERY PLAN	1242768.33
	SERVICE ACC: ELECTRICITY	210874.2
	SERVICE ACC: REFUSE	18163.32
	SERVICE ACC: WATER	19779.4
	SPORT & EVENTS	58134.32
	STOCK & MATERIAL	2486.7
	TELEPHONE/DATA LINES	82061.73
	TRAINING	12632
	CONTRIBUTION OUDTS NATIONAL CYCLING	1103.23
	CONTRIBUTION TOURISM MAR OF PDI'S	172850.61
General Expenses Total		4644927.37